CHORUS NEW ZEALAND LIMITED

NOTICE OF NEW UBA VARIANTS UNDER CLAUSE 10 OF THE UBA STANDARD TERMS DETERMINATION GENERAL TERMS

14 MAY 2014

Introduction

In accordance with clause 10 of the UBA Standard Terms Determination (**STD**) General Terms, Chorus gives notice to the Commission and Access Seekers of its intention to launch two New UBA Variants, by way of commercial UBA services (the **Notice**).

Chorus intends to launch commercial UBA variants over Ethernet, using both ADSL2 and VDSL2+ technologies (**Commercial UBA Services**) that deliver higher service specifications when compared to the UBA service described in Schedule 3 of the UBA STD. The services will be called Boost HD and Boost VDSL. We intend to launch the Commercial UBA Services on 1 September 2014.

The Commercial UBA Services described in this notice and accompanying documents are being proposed by Chorus for the purpose of consultation with our customers. As such, the services described in this notice will be finalised following consultation. Chorus will advise the Commission if there are any changes to the form of the Commercial UBA Services following consultation that impact this Notice.

New UBA Variants

Clause 10 prescribes a process for Chorus to offer New UBA Variants. A New UBA Variant is defined in the UBA General Terms as:

> *a digital subscriber line enabled service as described in the description of service for Chorus' unbundled bitstream access service in Subpart 1 of Part 2 of Schedule 1 of the Act and that is not described in the UBA Service Description.*

The definition of a New UBA Variant uses the description of the designated unbundled bitstream access service in Schedule 1 of the Telecommunications Act, which is broader than the UBA Service described in Schedule 3 of the UBA STD (the UBA Service Description) (**Regulated UBA**). The Commercial UBA Services proposed by Chorus will be New UBA Variants.

Notice of New UBA Variants

Clause 10.1.3 of the Regulated UBA STD General Terms requires us to give at least 20 working days' notice to the Commission and Access Seekers of the New UBA Variants. Chorus intends to launch the Commercial UBA Services on 1 September 2014.

Clause 10.1.4 requires us to publish this notice on a website accessible by the Commission and Access Seekers, which we have done. The website can be accessed at the following link:

http://www.chorus.co.nz/agreements/

Commercial UBA Service Description

Clause 10.2 of the Regulated UBA General Terms requires the service description of the New UBA Variants to address the following matters:

- The key attributes of the New UBA Variant;
- The network specifications of the New UBA Variant;
- Any network constraints on the delivery of the New UBA Variant;

- Any requirement relating to the geographic availability of the New UBA Variant;
- Any other services that must be purchased by the Access Seeker with the New UBA Variant; and
- Any other explanation of the service that distinguishes the proposed New UBA Variant from other services supplied by Chorus under the UBA Standard Terms Determination.

A copy of the draft Service Description for the Commercial UBA Services, which includes each of the matters above, is **attached** to this notice. In addition, a draft Service Description for the Commercial Handover Connection is **attached** to this notice. Handover connections are included in the Regulated UBA STD Service Description. Chorus proposes to offer a Commercial Handover Connection as a separate service, as Access Seekers will also be able to use the Commercial Handover Connection for other commercial Chorus services, for example HSNS. Access Seekers must take at least one Commercial Handover Connection in order to take the Commercial UBA Services.

Appendix 1 to this notice explains how the Service Description complies with the requirements

Appendix 2 to this Notice sets out the key features of the Commercial UBA Services, as proposed, which distinguishes them from Regulated UBA.

Appendix 3 to this Notice sets out the price of the Commercial UBA Services.

APPENDIX 1

REQUIREMENTS OF THE NOTICE MAPPED AGAINST THE SERVICE DESCRIPTION FOR COMMERCIAL UBA SERVICES

Requirement	Reference
The key attributes of the New UBA Variant	Refer to the Service Description and see also Appendix 2 of this Notice.
The network specifications of the New UBA Variant	The technical specification of the service is set out in Appendix B of the Service Description.
Any network constraints on the delivery of the New UBA Variant	Clauses 2.13 to 2.16 and 2.22 to 2.25 of the Service Description describe the service commitment, what occurs with non-qualifying lines and what occurs if there is a fault that Chorus is responsible for and it is uneconomic to repair the line to meet the service commitment.
Any requirement relating to the geographic availability of the New UBA Variant	Clauses 2.34 and 2.35 of the Service Description deal with geographic availability.
Any other services that must be purchased by the Access Seeker with the New UBA Variant	Pre-requisites are set out in clause 3.1 of the Service Description. Access Seekers must take at least one Commercial Handover Connection.
Any other explanation of the service that distinguishes the proposed New UBA Variant from other services supplied by Chorus under the UBA Standard Terms Determination	Refer to the Service Description and see also Appendix 2 of this Notice.

APPENDIX 2

COMMERCIAL UBA SERVICES – DIFFERENTIATION FROM UBA SERVICE REGULATED UNDER THE UBA STD

Chorus intends to launch commercial UBA variants over Ethernet, using both ADSL2 and VDSL2+ technologies (**Commercial UBA Services**) that deliver higher service specifications for a higher price when compared to the UBA service described in Schedule 3 of the UBA STD (**Regulated UBA**).

The features that differentiate these Commercial UBA Services from Regulated UBA are listed below. The Commercial UBA Service Description provides further information on each of these features.

A shift change in throughput backed by a service commitment
The core feature of the Commercial UBA Services will be a "service commitment" that comprises:

- A minimum downstream average throughput of 5 Mbps during a 15 minute period; and
- A minimum downstream/upstream line speed of 10/1 Mbps for Commercial UBA via VDSL2 and 6 Mbps/600kbps for Commercial UBA via ADSL2+.

This service commitment represents an assurance that will (subject to the length of the end-user's access line and other factors as set out in the Commercial UBA Service Description) enable an RSP to assure its retail end users that the Commercial UBA Services will support high definition media activities.

Throughput of this level will facilitate enhanced retail propositions when compared with the minimum 32kbps throughput specified in the UBA Service Description.

At pre-qualification, any lines that are not expected to meet the Service Commitment will be deemed to be non-qualifying lines. The Access Seeker will have the option either to cancel the order or to take the Commercial UBA Service without the service commitment.

If there is a subsequent fault on the Commercial UBA line and Chorus is responsible for the fault, Chorus will restore the line so that it meets the service commitment, or if acting reasonably Chorus considers that it is uneconomic to repair the connection, it may notify the Access Seeker that the line is now non-qualifying. The Access Seeker then has a range of options, including to cancel the connection, or take the Commercial UBA Service without the service commitment or to take the regulated service under the UBA STD. There will be no charges for any such change.

Benefits to RSPs	***Benefits to end users***
Increased confidence to develop and deliver services requiring a high level of minimum throughput	Richer range of service options available, particularly in areas yet to receive UFB
Fewer help desk calls to RSPs from end users complaining about speeds, screen freeze, etc.	Increased service reliability
Ability to offer the same service across a wider area, making marketing and sales agent interaction easier.	Less frustration when responding to offers only to find service not available in their area

Line Profile Optimisation
Line Profile Optimisation will be available on all lines under the VDSL variant of Commercial UBA, and some lines, as appropriate, under the ADSL variant. Sometimes known as Dynamic Line Management, Line Profile Optimisation is an enhanced network feature that regularly manages lines to optimise line performance and stability.

Line Profile Optimisation is not a requirement of the Regulated UBA service. That is, it is not a service specification that Chorus is required to deliver under the UBA STD Service Description.

Benefits to RSPs	***Benefits to end users***
Ability to maximise potentially faster upload and download speeds without sacrificing stability (fewer dropouts and resets)	Assured that line is regularly optimised for best speed performance with fewer modem resets
Reduction in line synch, speed and stability faults	Higher reliability with less stability / speed issues as conditions change
Assurance that RSP is receiving an optimised end user experience not just a faster best efforts broadband service	A more consistent experience

Fibre-ready connections for commercial VDSL variant
All installations of lines under the VDSL variant of Commercial UBA will be made fibre-ready as part of the Commercial UBA Service install in areas where Chorus is deploying UFB (unless this has already been done or circumstances such as MDUs where it may not be appropriate). That is, the install will include augmentation of the premises to support VDSL i.e. a VDSL grade splitter, category 5e/6 cable and RJ45 jack, the cost of which will be included in the connection fee. The cable will be fibre ready, so that premises wiring beyond the ETP to an end user's premises can be used for UFB services.

In contrast, the Regulated UBA "connection and wiring" service does not include the use of fibre-ready ETP and category 5e/6 cable.

Benefits to RSPs	**Benefits to end users**
Confidence that potential premises wiring related fault issues have been mitigated	More reliable service with best performance possible for location
Easier to migrate end users to UFB services at later date	Reduction in work require to migrate to UFB at later date by removing disruptive premise rewiring component

No "real time" class of service
The core feature of the Enhanced UBA variant of the regulated UBA service (as distinct from BUBA) is that it offers two 'classes of service':

- The best efforts internet grade service offered by the Basic UBA variant of the regulated UBA service that is optimised for elastic applications that are tolerant towards looser performance values but can benefit from the higher burst throughput; and
- A real time grade service which is prioritised over the internet grade class of service and has tighter performance parameters that is optimised for inelastic applications that require tighter performance applications and do not require burst capability such as voice, Citrix or mission critical data.

The Commission was clear in determining the UBA STD that an EUBA service must have these two classes of service.

The Commercial UBA services will not offer a real time class of service and are therefore not in substance the same as the EUBA service. When comparing the Commercial UBA services with EUBA, Commercial UBA is not comparable to the EUBA service simply because it does not deliver the feature that is integral to EUBA.

Rather than the complexity involved in delivering the two classes of traffic; a real time class of service and a best efforts class of service with the associated traffic management processes ('QOS' management)), the Commercial UBA Services will provide a large average throughput that will support a wide range of the applications in a much simpler way that is more aligned to RSP requirements and will encourage innovation.

APPENDIX 3

COMMERCIAL UBA SERVICES – PRICES

Chorus intends to offer a set of differentiated products at differentiated prices.

The Commercial UBA Services will initially be priced as follows:

Service	**Recurring Monthly Price**	**Inclusions**
Boost HD	$47.50 (initially discounted to $44.98)	Connection
Boost VDSL	$49.98	Connection and wiring (including fibre-ready wiring in Chorus' UFB coverage areas)

Chorus will review both prices upon completion of the Commerce Commission's Final Pricing Principle reviews for UBA and UCLL scheduled to be done by 1 December 2014. Chorus intends that both Boost products will continue to be priced at an appropriate premium to regulated UBA products.